

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

**Notice NAP-160**

**For:** State and County Offices

**Restarting 2012 Through 2014 NAP Payment Processing**

**Approved by:** Deputy Administrator, Farm Programs



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**1 Overview**

**A Background**

The Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Control Act of 2011, requires a reduction in payments, also known as sequester.

2012 through 2014 NAP payment processing was disabled until software to sequester payments could be developed.

**B Purpose**

This notice:

- advises State and County Offices that 2012 and 2013 NAP payments:
  - will be processed on or about **January 15, 2014**
  - transaction statement wording has been changed
- obsoletes Notice NAP-159.

**2 2012 Through 2014 NAP Payments**

**A NAP Payment Processing**

2012 and 2013 NAP payments will be processed on or about **January 15, 2014**.

**Note:** 2014 NAP payments will **not** be processed on this date, but will be available in the near future.

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Disposal Date	Distribution
March 1, 2014	State Offices; State Offices relay to County Offices

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### 2 2012 Through 2014 NAP Payments (Continued)

#### B NAP Transaction Statement

Because of sequestering 2012 through 2014 NAP payments, the wording for the transaction statement has been changed to the following.

“The Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Budget Control Act of 2011, requires a reduction, known as a sequester, in many federal payments newly obligated in 2014. New payments issued after October 1, 2013, under the Noninsured Crop Disaster Assistance Program have been reduced by 7.2 percent due to sequester-related reductions. Corrections to payments initially issued prior to October 1, 2013, are not subject to the 7.2 percent reduction.”

#### C Sequestering 2012 Through 2014 NAP Payments

2012 through 2014 NAP payments will have a sequestration percentage automatically applied to the payment amount determined after all reductions have been applied. The sequestered:

- percentage is 7.2 percent
- amount is applied at the payment entity level
- amount is **not** attributed to members
- amount is reduced from the determined payment amount for the payment entity as the last step before sending the payment information to NPS.

#### D 2012 Through 2014 NAP Payments Sequestration Exceptions

All 2012 through 2014 NAP payments obligated in FY 2014 will be sequestered. In the following exceptions, the obligation occurred before FY 2014 so the payment will **not** be sequestered.

Exception	Note
A 2012 through 2014 NAP application that was sent to NPS before October 1, 2013, and an additional payment for the <b>same</b> crop type is now due to the producer because of a change to the NAP application.	The additional payment for the <b>same</b> crop type will not be sequestered.  Any additional payment now due the producer for a <b>different</b> crop type will be sequestered.
A 2012 through 2014 NAP application was only partially paid before October 1, 2013, because of an eligibility condition. All eligibility conditions have been resolved and the remaining payment amount is now ready to be paid.	The additional payment amount will <b>not</b> be sequestered.
A 2012 through 2014 NAP application was paid before October 1, 2013, and is deleted after the sequestration software is released. The application is reapproved after the sequestration software is released.	The new payment will <b>not</b> be sequestered.

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### 3 Changes to Common Payment Reports

#### A Common Payment Reports

Common Payment Reports will function as they normally do for 2012 through 2014 NAP payments with the following exceptions:

- payment amounts displayed on the Common Payment Reports will either be before or after sequestration was applied
- disclaimers have been either modified or added to each report for sequestration except for the Payments Computed to Zero Report, which does **not** have a disclaimer.

**Note:** Since the sequestration reduction is applied at the payment entity level, the amounts displayed on the various Common Payment Reports that are attributed or reduced for members of the entity or joint operation will **not** add up to the payment amount for the payment entity.

#### B Information About Common Payment Reports

The following table provides specific information about each report.

Report	Sequestration Reduction Displayed on Report	Name of Payment Field	Amount Displayed Before or After Sequestration Applied
Estimated Calculated Payment Report	N/A	Calculated Payment	Before
Submitted Payments Report	N/A <b>Note:</b> Payment reduced will be “Yes” only if reductions other than sequestration apply.	Amount Submitted	After
Submitted Overpayments Report	N/A	Amount Submitted	N/A
Pending Overpayment Report	N/A	Overpayment Amount	N/A
Nonpayment/Reduction Report	No	Accumulated Amount	Before
Insufficient Funds Report	N/A	Calculated Payment Amount	After
Payments Computed to Zero Report	N/A	N/A	N/A
Payment History Report - Summary	Yes	Net Payment	After
Payment History Report - Detail	Yes	Net Payment	After

**4 Action**

**A State Office Action**

State Offices shall ensure that County Offices:

- are immediately informed of the contents of this notice
- take action, when applicable, according to the information provided in this notice.

**B County Office Action**

County Offices:

- shall follow 1-NAP, Part 11 for payment and overpayment processing
- shall follow the Common Payment Reports System procedure in 9-CM, Part 5 for payment and overpayment reports.